

MOR-1

CASE NAME: In re: Crown Spring, Inc.
CASE NUMBER: 17-10723-hcm
PROPOSED PLAN DATE: 07-10-2017

UNITED STATES BANKRUPTCY COURT

PETITION DATE: 06-09-2017
DISTRICT OF TEXAS: Western
DIVISION: Austin

MONTHLY OPERATING REPORT SUMMARY FOR MONTH **YEAR**

| MONTH | Jun-17 | | | | | | |
|--|--------------|------|------|------|------|------|------|
| REVENUES (MOR-6) | 1,064,424.22 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| INCOME BEFORE INT. DEPREC./TAX (MOR-6) | 173,977.28 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| NET INCOME (LOSS) (MOR-6) | 170,985.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| PAYMENTS TO INSIDERS (MOR-9) | 8,981.77 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| PAYMENTS TO PROFESSIONALS (MOR-9) | 71,096.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL DISBURSEMENTS (MOR-8) | 945,137.63 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

| | | | |
|---|---|----------------|-------------|
| REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE | | EXP. | DATE |
| CASUALTY | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> | 09 - 30 - 2017 | |
| LIABILITY | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> | 09 - 30 - 2017 | |
| VEHICLE | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> | 09 - 30 - 2017 | |
| WORKER'S | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> | 09 - 30 - 2017 | |
| OTHER | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> | 09 - 18 - 2017 | |

Are all accounts receivable being collected within terms? **CIRCLE ONE**
 Yes No
 Yes No
 Yes No

Are all post-petition liabilities, including taxes, being paid within terms?

Have any pre-petition liabilities been paid?
If so, describe _____

Are all funds received being deposited into DIP bank accounts?
 Yes No

Were any assets disposed of outside the normal course of business?
 Yes No

If so, describe _____

Are all U.S. Trustee Quarterly Fee Payments current?
 Yes No

What is the status of your Plan of Reorganization? *Proposal with Creditors currently.*

ATTORNEY NAME: Lynn H. Butler
FIRM NAME: Husch Blackwell LLP
ADDRESS: 111 Congress Avenue
Suite 1400
CITY, STATE, ZIP: Austin, TX 78701
TELEPHONE/FAX: 512-472-5456 / 512-479-1101

I certify under penalty of perjury that the following complete Monthly Operating Report (MOR), consisting of MOR-1 through MOR-9 plus attachments, is true and correct.

SIGNED X *Mark Diamond* TITLE: *Director of CHIEF OPERATIONS OFFICE*
(ORIGINAL SIGNATURE)
Mark Diamond
(PRINT NAME OF SIGNATORY)

DATE 7/30/17 Revised 07/01/98

CASE NAME: In re: CrownSpring, Inc.
CASE NUMBER: 17-10723

COMPARATIVE BALANCE SHEETS

| ASSETS | FILING DATE* | Jun-17 | MONTH | MONTH | MONTH | MONTH | MONTH |
|--|---------------|-----------------------|---------------|---------------|---------------|---------------|---------------|
| CURRENT ASSETS | | | | | | | |
| Cash | | 368,581.00 | | | | | |
| Accounts Receivable, Net | | 1,281,058.25 | | | | | |
| Inventory: Lower of Cost or Market | | | | | | | |
| Prepaid Expenses | | 41,339.05 | | | | | |
| Investments | | | | | | | |
| Other | | 267,901.54 | | | | | |
| TOTAL CURRENT ASSETS | 0.00 | 1,958,879.84 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| PROPERTY, PLANT & EQUIP. @ COST | | 349,715.85 | | | | | |
| Less Accumulated Depreciation | | 224,497.12 | | | | | |
| NET BOOK VALUE OF PP & E | 0.00 | 125,218.73 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| OTHER ASSETS | | | | | | | |
| 1. Tax Deposits | | | | | | | |
| 2. Investments in Subsidiaries | | | | | | | |
| 3. Electric Deposit | | | | | | | |
| 4. Intercompany AR | | 100,000.00 | | | | | |
| TOTAL ASSETS | \$0.00 | \$2,184,098.57 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

* Per Schedules and Statement of Affairs

MOR-2

Revised 07/01/98

CASE NAME: In re: CrownSpring, Inc.
CASE NUMBER: 17-10723

COMPARATIVE BALANCE SHEETS

| LIABILITIES & OWNER'S EQUITY | FILING DATE* | Jun-17 | MONTH | MONTH | MONTH | MONTH | MONTH |
|--|---------------|-----------------------|---------------------|---------------------|---------------|---------------|---------------|
| LIABILITIES | | | | | | | |
| POST-PETITION LIABILITIES(MOR-4) | | 2,156,894.19 | | | | | |
| PRE-PETITION LIABILITIES | | | | | | | |
| Notes Payable - Secured | | | | | | | |
| Priority Debt | | | | | | | |
| Federal Income Tax | | | | | | | |
| FICA/Withholding | | | | | | | |
| Unsecured Debt | | | | | | | |
| Other | | | | | | | |
| Other - Officer Loan | | 714,684.42 | | | | | |
| TOTAL PRE-PETITION LIABILITIES | 0.00 | 714,684.42 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL LIABILITIES | 0.00 | 2,871,578.61 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| OWNER'S EQUITY (DEFICIT) | | | | | | | |
| PREFERRED STOCK | | | | | | | |
| COMMON STOCK | | | | | | | |
| ADDITIONAL PAID-IN CAPITAL | | | | | | | |
| RETAINED EARNINGS: Filing Date | | | | | | | |
| RETAINED EARNINGS: Post Filing Date | | 170,985.25 | 170,985.25 | 170,985.25 | | | |
| TOTAL OWNER'S EQUITY (NET WORTH) | 0.00 | 170,985.25 | 170,985.25 | 170,985.25 | 0.00 | 0.00 | 0.00 |
| TOTAL LIABILITIES & OWNERS EQUITY | \$0.00 | \$3,042,563.86 | \$170,985.25 | \$170,985.25 | \$0.00 | \$0.00 | \$0.00 |

* Per Schedules and Statement of Affairs

MOR-3

Revised 07/01/98

CASE NAME: In re: CrownSpring, Inc.
CASE NUMBER: 17-10723

SCHEDULE OF POST-PETITION LIABILITIES

| | Jun-17 | MONTH | MONTH | MONTH | MONTH | MONTH |
|--|----------------|--------|--------|--------|--------|--------|
| TRADE ACCOUNTS PAYABLE | 404,477.04 | | | | | |
| TAX PAYABLE | | | | | | |
| Federal Payroll Taxes | 2,005.85 | | | | | |
| State Payroll Taxes | | | | | | |
| Ad Valorem Taxes | | | | | | |
| Other Taxes | 164,205.28 | | | | | |
| TOTAL TAXES PAYABLE | 166,211.13 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SECURED DEBT POST-PETITION | | | | | | |
| ACCRUED INTEREST PAYABLE | 308.78 | | | | | |
| ACCRUED PROFESSIONAL FEES* | 34,124.45 | | | | | |
| OTHER ACCRUED LIABILITIES | | | | | | |
| 1. Settlement Accrual | 637,194.00 | | | | | |
| 2. SP Dividend | 400,000.00 | | | | | |
| 3. Accrued FSE Payroll | 215,252.01 | | | | | |
| 4 Accrued Salary | 23,294.54 | | | | | |
| 5 Accrued Vacation | 42,532.09 | | | | | |
| 6 Profit Sharing | 50,000.00 | | | | | |
| 7 Sales Commission | 39,108.24 | | | | | |
| 8 Project Costs | 18,727.00 | | | | | |
| 9 Expenses Payable | 15,713.80 | | | | | |
| 10 Intercompany Payable | 109,951.11 | | | | | |
| TOTAL POST-PETITION LIABILITIES (MOR-3) | \$2,156,894.19 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

*Payment requires Court Approval

Revised 07/01/98

MOR-4

Footnote

Amounts in June 2017 column include both prebankruptcy and postbankruptcy accruals of liability for June 2017.

CASE NAME: In re: CrownSpring, Inc.
CASE NUMBER: 17-10723

AGING OF POST-PETITION LIABILITIES
MONTH Jun-17

| DAYS | TOTAL | TRADE ACCOUNTS | FEDERAL TAXES | STATE TAXES | AD VALOREM, OTHER TAXES | MONTH |
|--------------|---------------------|---------------------|---------------|---------------|-------------------------|---------------|
| 0-30 | 123,208.66 | 123,208.66 | | | | |
| 31-60 | | | | | | |
| 61-90 | | | | | | |
| 91+ | | | | | | |
| TOTAL | \$123,208.66 | \$123,208.66 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

Footnote

Amounts in June 2017 column include both prebankruptcy and postbankruptcy accruals of liability for June 2017.

AGING OF ACCOUNTS RECEIVABLE

| MONTH | | | | | | |
|--------------|-----------------------|---------------|---------------|---------------|---------------|---------------|
| 0-30 DAYS | 1,206,773.48 | | | | | |
| 31-60 DAYS | 743.82 | | | | | |
| 61-90 DAYS | 13,178.30 | | | | | |
| 91+ DAYS | 60,362.65 | | | | | |
| TOTAL | \$1,281,058.25 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

MOR-5

Revised 07/01/98

CASE NAME: In re: CrownSpring, Inc.

CASE NUMBER: 17-10723

STATEMENT OF INCOME (LOSS)

| | Jun-17 | MONTH | MONTH | MONTH | MONTH |
|--|---------------------|---------------|---------------|---------------|---------------|
| REVENUES (MOR-1) | 1,064,424.22 | | | | |
| TOTAL COST OF REVENUES | 754,669.04 | | | | |
| GROSS PROFIT | 309,755.18 | 0.00 | 0.00 | 0.00 | 0.00 |
| OPERATING EXPENSES: | | | | | |
| Selling & Marketing | 37,507.30 | | | | |
| General & Administrative | 14,661.91 | | | | |
| Insiders Compensation | | | | | |
| Professional Fees | | | | | |
| Other - Property Costs | 10,598.45 | | | | |
| Other - Indirect Payroll | 73,010.24 | | | | |
| TOTAL OPERATING EXPENSES | 135,777.90 | 0.00 | 0.00 | 0.00 | 0.00 |
| INCOME BEFORE INT, DEPR/TAX (MOR-1) | 173,977.28 | 0.00 | 0.00 | 0.00 | 0.00 |
| INTEREST EXPENSE | | | | | |
| DEPRECIATION | 2,992.03 | | | | |
| OTHER (INCOME) EXPENSE* | | | | | |
| OTHER ITEMS** | | | | | |
| TOTAL INT, DEPR & OTHER ITEMS | 2,992.03 | 0.00 | 0.00 | 0.00 | 0.00 |
| NET INCOME BEFORE TAXES | 170,985.25 | 0.00 | 0.00 | 0.00 | 0.00 |
| FEDERAL INCOME TAXES | | | | | |
| NET INCOME (LOSS) (MOR-1) | \$170,985.25 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

Accrual Accounting Required, Otherwise Footnote with Explanation.

* Footnote Mandatory.

** Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

MOR-6

| MONTH | FILING TO DATE |
|--------|-------------------|
| | 1,064,424.22 |
| | 754,669.04 |
| 0.00 | 309,755.18 |
| | |
| | 37,507.30 |
| | 14,661.91 |
| | 0.00 |
| | 0.00 |
| | 10,598.45 |
| | 73,010.24 |
| 0.00 | 135,777.90 |
| 0.00 | 173,977.28 |
| | 0.00 |
| | 2,992.03 |
| | 0.00 |
| | 0.00 |
| 0.00 | 2,992.03 |
| 0.00 | 170,985.25 |
| | 0.00 |
| \$0.00 | \$170,985.25 |

Revised 07/01/98

CASE NAME: In re: CrownSpring, Inc.
CASE NUMBER: 17-10723

| CASH RECEIPTS AND DISBURSEMENTS | Jun-17 | MONTH | MONTH | MONTH | MONTH | MONTH | FILING TO DATE |
|---|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| 1. CASH-BEGINNING OF MONTH | \$232,073.44 | \$368,081.99 | \$368,081.99 | \$368,081.99 | \$368,081.99 | \$368,081.99 | \$232,073.44 |
| RECEIPTS: | | | | | | | |
| 2. CASH SALES | | | | | | | 0.00 |
| 3. COLLECTION OF ACCOUNTS RECEIVABLE | 1,081,146.18 | | | | | | 1,081,146.18 |
| 4. LOANS & ADVANCES (attach list) | | | | | | | 0.00 |
| 5. SALE OF ASSETS | | | | | | | 0.00 |
| 6. OTHER (attach list) | | | | | | | 0.00 |
| TOTAL RECEIPTS** | 1,081,146.18 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,081,146.18 |
| (Withdrawal) Contribution by Individual Debtor MFR-2* | | | | | | | 0.00 |
| DISBURSEMENTS: | | | | | | | |
| 7. NET PAYROLL | 566,366.48 | | | | | | 566,366.48 |
| 8. PAYROLL TAXES PAID | 15,129.48 | | | | | | 15,129.48 |
| 9. SALES, USE & OTHER TAXES PAID | | | | | | | 0.00 |
| 10. SECURED/RENTAL/LEASES | 3,507.41 | | | | | | 3,507.41 |
| 11. UTILITIES & TELEPHONE | 3,222.02 | | | | | | 3,222.02 |
| 12. INSURANCE | 797.00 | | | | | | 797.00 |
| 13. INVENTORY PURCHASES | | | | | | | 0.00 |
| 14. VEHICLE EXPENSES | | | | | | | 0.00 |
| 15. TRAVEL & ENTERTAINMENT | | | | | | | 0.00 |
| 16. REPAIRS, MAINTENANCE & SUPPLIES | 81.23 | | | | | | 81.23 |
| 17. ADMINISTRATIVE & SELLING | 8,890.31 | | | | | | 8,890.31 |
| 18. OTHER (attach list) | 276,047.70 | | | | | | 276,047.70 |
| TOTAL DISBURSEMENTS FROM OPERATIONS | 874,041.63 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 874,041.63 |
| 19. PROFESSIONAL FEES | 71,096.00 | | | | | | 71,096.00 |
| 20. U.S. TRUSTEE FEES | | | | | | | 0.00 |
| 21. OTHER REORGANIZATION EXPENSES (attach list) | | | | | | | 0.00 |
| TOTAL DISBURSEMENTS** | 945,137.63 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 945,137.63 |
| 22. NET CASH FLOW | 136,008.55 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 136,008.55 |
| 23. CASH - END OF MONTH (MOR-2) | \$368,081.99 | \$368,081.99 | \$368,081.99 | \$368,081.99 | \$368,081.99 | \$368,081.99 | \$368,081.99 |

* Applies to Individual debtors only

**Numbers for the current month should balance (match)

Revised 07/01/98

RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

MOR-7

| | | | | | |
|-----------------------|--|---|------------------------------|------------|--|
| 06/02/2017 2022 | HTS | √ | Accounts Payable | 7,902.79 | technician to decommission tool - COGS |
| 06/02/2017 ACH 06/02 | Ventex Corporation | √ | Accounts Payable | 8,250.00 | Dinstallation of Canon FPA-2500i2 Stepper - COGS |
| 06/02/2017 ACH 06/02 | IFS Services, LLC | √ | Accounts Payable | 6,185.84 | Subcontracted Services - COGS |
| 06/06/2017 Auto Debit | Bank of Amer June 2nd Credit Card Balan | √ | Accounts Payable | 29,130.93 | Company Credit Cards - COGS |
| 06/06/2017 ACH 06/06 | Retronix Limited US/PCB | √ | Current Directors Loan - Tor | 20,000.00 | |
| 06/09/2017 ACH 06/09 | Optimation | √ | Accounts Payable | 124,766.00 | Subcontracted Labour COGS |
| 06/13/2017 Auto Debit | Bank of Amer June 9th Credit Card Balanc | √ | Accounts Payable | 26,594.91 | Company Credit Cards - COGS |
| 06/20/2017 Auto Debit | Bank of Amer June 16th Credit Card Balar | √ | Accounts Payable | 30,466.06 | Company Credit Cards - COGS |
| 06/27/2017 Auto Debit | Bank of Amer June 23rd Credit Card Bala | √ | Accounts Payable | 22,053.64 | Company Credit Cards - COGS |
| 06/15/2017 2030 | CEVA Freight LLC | √ | Accounts Payable | 252.00 | freight COGS |
| 06/15/2017 2031 | Reliable Manufacturing Inc | √ | Accounts Payable | 445.53 | COGS |
| | | | | 276,047.70 | |

CASE NAME: In re: CrownSpring, Inc.
CASE NUMBER: 17-10723

CASH ACCOUNT RECONCILIATION
MONTH OF Jun-17

| BANK NAME | | | | | |
|---|--------------|---------|--------|-------------|----------------|
| ACCOUNT NUMBER | # | # | # | | |
| ACCOUNT TYPE | OPERATING | PAYROLL | TAX | OTHER FUNDS | TOTAL |
| BANK BALANCE | 368,081.58 | | | | \$368,081.58 |
| DEPOSITS IN TRANSIT | | | | | \$0.00 |
| OUTSTANDING CHECKS | | | | | \$0.00 |
| ADJUSTED BANK BALANCE | \$368,081.58 | \$0.00 | \$0.00 | \$0.00 | \$368,081.58 |
| BEGINNING CASH - PER BOOKS | 232,073.44 | | | | \$232,073.44 |
| RECEIPTS* | 1,081,146.18 | | | | \$1,081,146.18 |
| TRANSFERS BETWEEN ACCOUNTS | 0.00 | | | | \$0.00 |
| (WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR MFR-2 | | | | | \$0.00 |
| CHECKS/OTHER DISBURSEMENTS* | 945,137.63 | | | | \$945,137.63 |
| ENDING CASH - PER BOOKS | \$368,081.99 | \$0.00 | \$0.00 | \$0.00 | \$368,081.99 |

MOR-8

*Numbers should balance (match) TOTAL RECEIPTS and
TOTAL DISBURSEMENTS lines on MOR-7

Revised 07/01/98

CASE NAME: In re: CrownSpring, Inc.
CASE NUMBER: 17-10723

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

| INSIDERS: NAME/COMP TYPE | Jun-17 | MONTH | MONTH | MONTH | MONTH | MONTH |
|--------------------------|------------|--------|--------|--------|--------|--------|
| 1. Jim Beatty Salary | 8,981.77 | | | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |
| 6. | | | | | | |
| TOTAL INSIDERS (MOR-1) | \$8,981.77 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| PROFESSIONALS | Jun-17 | MONTH | MONTH | MONTH | MONTH | MONTH |
|------------------------------------|-------------|--------|--------|--------|--------|--------|
| 1. Richards Rodriguez & Skeith LLP | 6,096.00 | | | | | |
| 2. Husch Blackwell LLP | 65,000.00 | | | | | |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |
| 6. | | | | | | |
| TOTAL PROFESSIONALS (MOR-1) | \$71,096.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

MOR-9

Revised 07/01/98